


**King County**

# ASSESSMENTS

## GENERAL GOVERNMENT PROGRAM PLAN

### MISSION

To provide the services necessary for the maintenance and certification of a fair and equitable county assessment roll as mandated by Chapter 84 of the Revised Code of Washington (RCW). This includes subsequent levy rate determination and tax roll, established annually for the purpose of administering the property tax system for all real and personal property located within the geographic boundaries of King County.

### ISSUES AND PRIORITIES

The Department of Assessments (DOA) is presided over by the Office of the Assessor, a separately elected countywide official, elected to a four-year term by the voters of King County. The primary purpose of the Department of Assessments is to provide the services necessary for the maintenance and certification of a fair and equitable county assessment roll as mandated by Chapter 84 of the Revised Code of Washington (RCW). This includes subsequent levy rate determination and tax roll, established annually for the purpose of administering the property tax system for all real and personal property located within the geographic boundaries of King County, consisting of 165 separate taxing districts and unincorporated King County.

### DEPARTMENT ORGANIZATION AND BUDGET

DOA is organized into five sections, each of which is listed below along with associated expenditure and FTE information. The operations of each of these sections are described below.

#### Expenditures (in thousand \$)

Section	2008 Actual	2009 Actual	2010 Adopted	2011 Proposed
Administration	4,040	3,866	2,576	4,160
Accounting Operation	3,637	3,399	3,470	3,074
Information Services	1,515	1,457	1,620	1,633
Residential Appraisal	8,250	8,937	8,682	7,422
Commercial Appraisal	3,171	3,213	3,670	4,954
<b>Total</b>	<b>20,613</b>	<b>20,872</b>	<b>20,018</b>	<b>21,243</b>

#### Budgeted FTEs

Section	2008	2009	2010	2011 Proposed
Administration	17.00	17.00	17.00	20.00
Accounting Operation	50.00	51.00	51.00	39.00
Information Services	102.00	103.00	104.00	14.00
Residential Appraisal	17.00	17.00	17.00	83.00
Commercial Appraisal	39.00	36.00	35.00	50.00
<b>Total</b>	<b>225.00</b>	<b>224.00</b>	<b>224.00</b>	<b>206.00</b>

## ADMINISTRATION

Administration includes the Assessor, Chief Deputy Assessor and Confidential Secretary/Special Assistant; and Administrative Services. The section also includes the Customer Service group which consists of the Public Information Unit, and the Appeals Unit responsible for processing all appeals filed by or on behalf of taxpayers regarding their property tax valuations.

## ACCOUNTING OPERATION

The Accounting Operation section includes Mapping, Abstract, Levy Administration, Current Use, Exemptions, and Accounting Support. This section helps determine the levy rate and tax rolls.

## INFORMATION SERVICES DIVISION

The Information Services section consists of the Department's Systems Development Group, and includes general Information Technology support.

## RESIDENTIAL APPRAISAL DIVISION

The Residential Appraisal section provides for the Department's residential appraisal, and provides additional appeals response and new construction functions.

## COMMERCIAL/BUSINESS APPRAISAL DIVISION

The Commercial/Business Appraisal section includes Personal Property Assessment, Commercial Appraisal, and provides additional appeals response and new construction functions.

## KING COUNTY STRATEGIC PLAN ALIGNMENT

The Department of Assessments directly supports the King County goal of Financial Stewardship, specifically objective 2: Plan for the long-term sustainability of county services. The department's primary function provides for strategy f, "to assess county taxes through fair and equitable application of tax law." The department also works to help keep the County's cost of doing business down and advocate for a more diversified revenue base, as demonstrated in various budget reductions below. The department has demonstrated support of the "how we deliver" goals of service excellence and public engagement, through innovations on its website to improve information available to taxpayers, and addressing taxpayer questions directly by non-automated phone system.

## CHANGE DRIVERS

The significant change drivers influencing the 2011 DOA budget include state and federal mandates, demand for service, service delivery, and the depressed economy with resultant revenue trends.

## STATE AND FEDERAL MANDATES

State law mandates the physical inspection of each of the 670,000 plus parcels on county tax rolls at least once every six years. State law also requires mailing of annual valuation statements to taxpayers. The two most prominent impending change dynamics are potential changes driven by state initiatives and impacts from the decennial United States Census, which will highlight population increases over the past 10 years and require re-alignment of taxing boundaries.

## DEMAND FOR SERVICE

There are nearly 750,000 residential, commercial and personal property parcels in King County that have to be revalued each year. New construction, the annual revaluation of each parcel, and the physical inspection of one-sixth of the parcels each year create a significant demand for resources. Furthermore, the department is responsible for handling boundary changes between taxing districts, and as a result of the volatile real estate market a surging number of commercial and residential appeals before the Board of Equalization. These issues have driven the demand for service both in appraisals and response to appeals. To meet increased workload with fewer workers, the department has re-engineered work activities, eliminated unnecessary clerical functions, and advocated for the continuing implementation of technology improvements.

## SERVICE DELIVERY

In 2010, the Department of Assessments reworked its website to make it more taxpayer-friendly, including developing the ability for a taxpayer to easily see their property information online, view the relevant data collected, see where their property tax dollar goes, and connect to pay property taxes online. The department continues to view efficient and customer-friendly service delivery to be a change driver in the way it delivers business.

## REVENUE TRENDS

The escalating value of real property in King County for the past few years has now reversed. Both the volume of sales transactions and the value of properties are in a state of decline. In King County, assessed values showed an average decrease in the 3 to 4 percent range. This decline contributes to resource constraints for county services as a whole, as well as for the Department of Assessments.

## 2011 PROPOSED BUDGET

The total 2011 Executive Proposed budget for the Department of Assessments is \$21.2 million, with funding for 206.00 FTEs and 4.00 TLTs. A historic \$1.8 million negative placeholder for savings from 2010 and prior years has been reversed, to provide for better management within given resources. In 2010, these savings were found by holding positions vacant for reduced salary and benefit costs. Assessments has identified specific expenditure reductions in salaries and benefits from eliminating 18 vacant positions, has identified efficiencies and innovations, and has committed to cost containment totaling over \$1.8 million. The 2011 Executive Proposed Budget reduces expenditures by a net of \$1.3 million from 2011 status quo levels before the \$1.8 million placeholder reversal. The net change in budget from 2010 Adopted may not appear significant due to the large contra reversal and the provision of four term-limited positions to facilitate reorganization in 2011. Nevertheless, the 2011 Executive Proposed Budget reflects a detailed set of commitments to responsible resource management while supporting core functions on the part of the Assessor.

## 2011 ADOPTED BUDGET FOR ASSESSMENTS 0010/0670

Code/Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD10	2010 Adopted Budget	20,018,180	224.00	0.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2010 Service Levels Adjusted for 2011 Costs	83,535	0.00	0.00
<b>Direct Service Changes</b>				
DS04	Eliminate 10 Vacant Positions	(802,645)	(10.00)	0.00
<b>Administrative Service Changes</b>				
AS01	Expense Reductions	(71,544)	0.00	0.00
AS05	Eliminate Contingency Reserve	(60,260)	0.00	0.00
AS06	Eliminate Eight Vacant Administrative Positions	(507,825)	(8.00)	0.00
AS07	Revaluation Notice Savings via Outside Vendor	(80,000)	0.00	0.00
AS08	Reductions to Duty Pay and Education Pay	(168,020)	0.00	0.00
		(887,649)	(8.00)	0.00
<b>Efficiency Reductions</b>				
ER15	Leadership Salary Freeze - \$4,512 Revenue Increase	(32,130)	0.00	0.00
<b>Program Changes</b>				
PC01	Adjust Motor Pool, Auto Allowance Expense for Fleet Usage	(125,373)	0.00	0.00
PC05	Postage Expense Increase	156,768	0.00	0.00
PC06	One-Time Add-back of Four Commercial Appraiser IIs (TLTs)	371,172	0.00	4.00
		402,567	0.00	4.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	400,512	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	42,989	0.00	0.00
CR08	Technology Services Infrastructure Charge	3,487	0.00	0.00
CR09	Geographic Information Systems Charge	(14,299)	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	(4,540)	0.00	0.00
CR11	Telecommunications Services	(1,853)	0.00	0.00
CR12	Telecommunications Overhead	4,441	0.00	0.00
CR13	Motor Pool Rate Adjustment	(1,431)	0.00	0.00
CR14	Facilities Management Space Charge	(12,260)	0.00	0.00
CR16	Radio Access	(754)	0.00	0.00
CR17	Radio Maintenance	(323)	0.00	0.00
CR19	Radio Reserve Program	(324)	0.00	0.00
CR25	Financial Services Charge	(14,924)	0.00	0.00

CR26	Retirement Rate Adjustment	235,776	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(28,824)	0.00	0.00
CR37	Facilities Management Strategic Initiative	4,228	0.00	0.00
CR48	Business Resource Center	39,874	0.00	0.00
		651,775	0.00	0.00
<b>Technical Adjustments</b>				
TA02	Contra/Contingency Target Reduction Reversal	1,800,991	0.00	0.00
TA35	1.5% Underexpenditure Adjustment	(5,786)	0.00	0.00
TA39	OLA Adjustment	14,448	0.00	0.00
TA50	Revenue Adjustment (\$4,000)	0	0.00	0.00
		1,809,653	0.00	0.00
<b>Council Changes</b>				
CC01	Convert Two Commercial Appraiser TLTs to FTEs	0	2.00	(2.00)
2011 Adopted Budget		21,243,286	208.00	2.00

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

\*\*\*See Council Changes narrative in the "2011 Adopted Council Changes" document.

## ADJUSTMENTS TO ADOPTED BUDGET

Adjustments to the 2010 Adopted Budget were made to incorporate inflation in labor and select other operating costs, \$83,535. All of the adjustments result in a net change of \$83,535 from the 2010 Adopted Budget.

## DIRECT SERVICE CHANGES

**Eliminate 10 Vacant Positions – (\$802,645) / (10.00) FTE.** This change reduces the DOA budget fulltime equivalent position total by 10 vacant positions, consisting mainly of residential appraisers, an administrative specialist, an executive secretary, and two commercial appraiser positions.

## ADMINISTRATIVE SERVICE CHANGES

**Expense Reductions (\$71,544), Eliminate Contingency Reserve – (\$60,260), and Revaluation Notice Savings via Outside Vendor (\$80,000).** These proposals implement an array of cost savings found through efficiencies and reflect a commitment by the department to cost containment. The proposal for \$71,544 in miscellaneous expense reductions is from shifting to videoconferencing for minor appeals hearings, reduced printing and binding by moving to electronic files, reduced photographic supplies by extending the replacement schedule of cameras, lowering external vendor contract costs through multiyear commitments, earlier payment, and other discounts. DOA has \$60,260 in a contingency reserve account, which has not historically been spent and is therefore proposed for reduction. The department has also proposed savings from revaluation notice mailings by using an outside vendor for savings of \$60,000 in postage, plus \$20,000 less in OIRM charges for printing services.

**Eliminate Eight Vacant Administrative Positions – (\$507,825) / (8.00) FTE.** This proposal reduces the department's budget by eight vacant positions, all serving administrative functions.

**Reductions to Duty Pay and Education Pay – (\$168,020).** The department proposes a technical adjustment to reduce budgeted duty assignment and education incentive pay account lines to zero to help meet the 2011 reduction goal. Along with the increase in budgeted postage, this adjustment will help to better align budgeted accounts with actual expenditures.

## EFFICIENCY REDUCTIONS

**Leadership Salary Freeze – (\$32,130) Expenditure / \$4,512 Revenue.** In response to exceptional fiscal constraints and in following the example of the King County Executive taking a voluntary salary freeze, this change item implements a reduction for King County appointed leadership to forego COLA and merit increases in 2011.

## PROGRAM CHANGES

**Adjust Motor Pool and Auto Allowance Expense for Fleet Usage – (\$125,737).** This proposal moves appraisers from private vehicles to a county fleet of vehicles for long-term savings. The change assumes ongoing savings of \$213,949 in auto allowance, an ongoing increase in motor pool rates of \$8,528, plus a one-time cost of \$80,048 for fleet vehicle purchase.

**Postage Expense Increase – \$156,768.** This adjusts the department's budgeted postage expense to align with projected cost in 2011. Along with the reduction in duty pay and education pay accounts, this will help to better align budgeted accounts with actual expenditures.

**One-Time Add-back of Four Commercial Appraiser IIs (TLTs) – \$371,172 / 4.00 TLT.** This increases the department's budgeted positions by four temporary commercial appraisers to assist in appeals and provide for staffing flexibility in 2011 during reorganization.

## CENTRAL RATE CHANGES

**Central Rate Adjustments - \$651,775.** This series of adjustments captures the net effect of changes in countywide charges from the 2010 Adopted Budget, and results in an increase in charges to the Department of Assessments. Details about each rate can be found in the General Government section, beginning on page D-1, and the agency-specific charges are detailed in the central rate changes section of the agency crosswalk. The update of port and phone line information from DOA working with OIRM resulted in a decrease of radios and telecom overhead rate and future savings in OIRM rates. The net reduction of 14 vacant positions also contributes to a significant decrease in associated benefit costs. In addition, the department has opted for long-term, multi-year savings by decreasing its budgeted auto allowance and a smaller increase in motor pool fees associated with establishing higher fleet usage.

## TECHNICAL ADJUSTMENTS

**Contra/Contingency Target Reduction Reversal – \$1,800,991.** This proposal removes a placeholder contra representing \$1.8 million in savings commitments from previous years' budget negotiations. The contra has grown over the past with no specific expenditures reductions tied to it. Removing this placeholder will allow better alignment of budgeted accounts with actual expenditures and more effective management of resources by the department.

**Underexpenditure Adjustment – (\$5,786).** In the 2011 proposed budget, the required underexpenditure rate for General Fund (GF) agencies is equal to 2 percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of 2 percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA - \$14,448.** The cost of living adjustment is calculated at 2 percent. A portion of this amount was saved through the Leadership COLA Freeze in ER15.

**Revenue Adjustment - (\$4,000).** Estimated revenue for copying is reduced by \$4,000.